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Issue Summary

February 2004

I. The Commission should challenge broadcast and cable entities to voluntarily increase coverage of campaign and election issues.

Campaign Legal Center, Press Release, "FCC should challenge broadcasters and cable entities to boost coverage of political discourse," Nov. 20, 2003.

• Broadcast television continues to be the primary source of campaign and election information for the American public.

The Pew Research Center for the People and the Press, "Perceptions of Partisan Bias Seen as Growing—Especially by Democrats: Cable and Internet Loom Large in Fragmented Political News Universe," Jan. 11, 2004.

Television coverage of political discourse is minimal and declining.

Lear Center Local News Archive (USC Annenberg School and the University of Wisconsin), "Local TV News Coverage of the 2000 Primary Campaigns," rel. Jun. 13, 2000; "Local TV Coverage of the 2000 General Election," rel. Feb. 5, 2001; and, "Local TV News Coverage of the 2002 General Election," rel. Oct. 16, 2002, available at http://www.learcenter.org/html/publications/?c=online+publications; see also various Center for Media and Public Affairs reports and press releases available at <a href=www.cmpa.com.

• Stations accepting a voluntary challenge to air more political discourse averaged *three times more coverage* of the 2000 election.

Lear Center Local News Archive (USC Annenberg School and the University of Wisconsin), "Local TV Coverage of the 2000 General Election," rel. Feb. 5, 2001, available at http://www.learcenter.org/html/publications/?c=online+publications. See also Advisory Committee on Public Interest Obligations of Digital TV Broadcasters, "Charting the Digital Broadcasting Future," Dec. 18, 1998 (recommended 5 minutes per night for 30 days preceding election).

• The Chairman's recent challenge to the DTV industry for voluntary action was a success. Statement by FCC Chairman Michael K. Powell, "DTV Plan Update—Progress for Consumers," July 11, 2002.

II. Broadcasters should post political public file information on their websites.

- Internet posting of political file records would facilitate timely access during peak election activity and alleviate burdens of handling numerous telephone calls and other requests for such information.
 - ° Comcast has recently expressed willingness to improve public file access and to consider a policy allowing customers to access files using a computer terminal at Comcast locations. Greenberg, Brigitte, Communications Daily, "'Fundamental Misunderstanding': Unions Ask FCC for Maximum Fine Against Comcast Over Documents," Jan. 27, 2004.
- Website posting would promote discourse and public comment, potentially reducing need for further disclosure regulation.
- Easy access to true sponsorship identification via a website is especially pertinent in light of recent tactics of issue advocacy groups such as section 527 organizations.

Chappie, Damon, Roll Call, "Appeals Court Upholds 527 Disclosure Law," Jan. 5, 2004.
Weissman, Steve, Kim Conger and Nick Turner, The Campaign Finance Institute, "New Internal Revenue Service Political Website a Bonanza of Campaign Finance Information for Journalists and Voters," July 14, 2003.

• The Supreme Court favors disclosure of campaign and election information. See McConnell v. FEC, 124 S.Ct.619 (2003).

III. The Commission's pending localism NOI should provide opportunity for comment on political broadcasting regulation.

Political discourse is an essential aspect of a broadcaster's service to its local community.



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Declining Broadcast Coverage of Campaign and Election Discourse

 Annenberg studies of the 2000 and 2002 elections reveal minimal and declining local television coverage of political campaigns and related issues.

Lear Center Local News Archive (USC Annenberg School and the University of Wisconsin), "Local TV News Coverage of the 2000 Primary Campaigns," rel. Jun. 13, 2000; "Local TV Coverage of the 2000 General Election," rel. Feb. 5, 2001; and "Local TV News Coverage of the 2002 General Election," rel. Oct. 16, 2002, available at http://www.learcenter.org/html/publications/?c=online+publications, last viewed Jan. 30, 2004.

 Network evening news coverage of presidential elections (including number of stories, minutes per day, and length of candidate soundbites) has declined from 1988 to 2000.

The Center for Media and Public Affairs, "Campaign 2000 Final: How TV News Covered the General Election Campaign," Nov./Dec. 2000, available at http://www.cmpa.com/Mediamon/mm111200.htm, last viewed Jan. 30, 2004. *

Average nightly national network TV coverage dropped 71.6% from 1994 to 2002.

The Center for Media and Public Affairs, Press Release, "Election Study Finds Absentee Media: Network Coverage of Midterm Campaign Down 72 percent from 1994," Nov. 01, 2002, available at www.cmpa.com/pressrel/Elect2002PR.htm, last viewed Jan. 30, 2004. *

 Network evening news coverage of 2000 presidential campaign dropped 33% from 1996 to 2000.

The Center for Media and Public Affairs, Press Release, "Networks to Parties: 'Drop Dead," Jul. 31, 2000, available at http://www.cmpa.com/pressrel/elector1.htm, last viewed Jan. 30, 2004. *

• Average length of presidential candidate soundbites on network evening news dropped 81% from 1968 to 2000.

The Center for Media and Public Affairs, "Campaign 2000 Final: How TV News Covered the General Election Campaign," Nov./Dec. 2000, available at http://www.cmpa.com/Mediamon/mm111200.htm, last viewed Jan. 30, 2004. *

• Almost half (45%) of all the election stories for the 2000 primaries favored nonsubstantive statistics.

The Center for Media and Public Affairs, "Campaign 2000-The Primaries: TV News Coverage of the Democratic and GOP Primaries," Mar./Apr. 2000, available at www.cmpa.com/Mediamon/mm030400.htm, last viewed Jan. 30, 2004.

^{*} In a telephone interview on November 3, 2003, Matthew Felling, Media Director of the Center for Media and Public Affairs, explained that CMPA obtained relevant statistics by recording all of the national network evening broadcasts for the relevant years. CMPA technicians watched the recorded broadcasts and determined the actual length of each election story and candidate soundbite. CMPA technicians inputted all data into a central computer database. Mr. Felling then analyzed the data from the computer, calculated the results, and wrote reports and press releases based on those results.



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Average Nightly Local TV Coverage of Elections*

	Amount of All Political News Stories	Amount of Candidate-Centered Discourse
2000 Primaries	241 seconds (4 min. 1 sec.)	39 seconds on typical stations 259 and 229 seconds (4 min. 19 sec. and 3 min. 49 sec.) on two stations accepting voluntary challenge to target threshold amount of coverage
2000 General Election	380 seconds (6 min. 20 sec.)	45 seconds on typical stations 137 seconds (2 min. 17 sec.) on stations accepting voluntary challenge to target threshold amount of coverage

Average Nightly Local TV News Coverage of Elections* (Highest-Rated Evening News Broadcasts)

	Amount of Campaign Coverage		
2002 General Election	89 seconds (1 min. 29 sec.)		

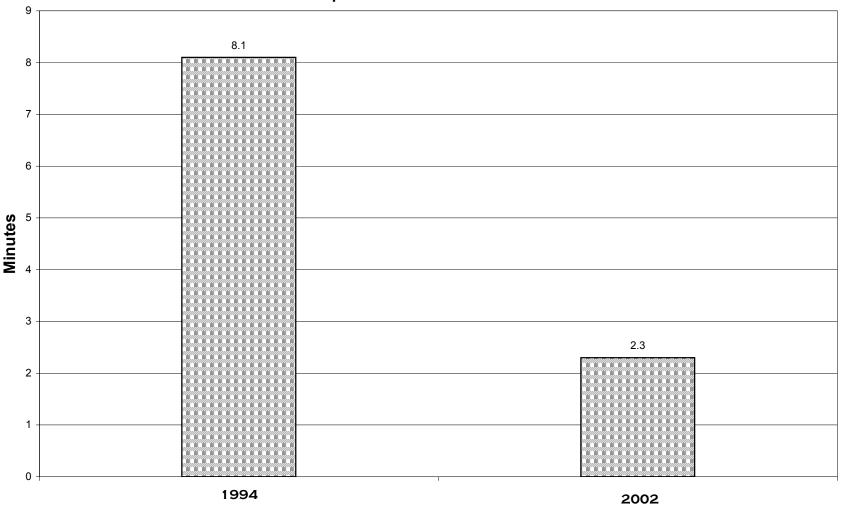
^{*}Although minimal political discourse coverage is evident by all three studies, differing study methodologies used by The Lear Center prevents direct comparison of the data from the two elections. *See* Lear Center Local News Archive (USC Annenberg School and the University of Wisconsin), "Local TV News Coverage of the 2000 Primary Campaigns," rel. Jun. 13, 2000; "Local TV Coverage of the 2000 General Election," rel. Feb. 5, 2001; and "Local TV News Coverage of the 2002 General Election," rel. Oct. 16, 2002, available at http://www.learcenter.org/html/publications/?c=online+publications, last viewed Jan. 30, 2004.

Then a	nd Nov	W		्रे
General Election	n News:	1988 -	- 200	0
mount of Coverage	2000	1996	1992	1988
Number of Stories	462	483	728	589
Minutes per Day	13	12	25	17
Average Soundbite (see	8.2	8.4	9.8	
ocus of Coverage (percentof stories) (Horse Race	71%	48%	58%	58%
(Policy Issues	40%	37%	32%	39%
One of Coverage (percentgood press)				
Dem Nominee	40%	50%	52%	31%
	37%	33%	29%	38%

Reproduced from: Center for Media and Public Affairs, "Campaign 2000 Final: How TV News Covered the General Election Campaign," November/December 2000. Report available at http://www.cmpa.com/Mediamon/mm111200.htm, last viewed 01/30/2004.

Average Nightly National Network TV Coverage

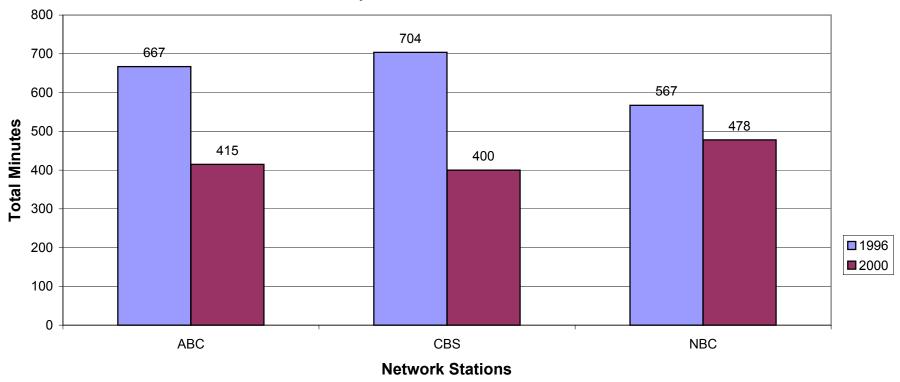
Drops 71.6% from 1994 to 2002



The Center for Media and Public Affairs analyzed the average number of minutes that ABC, CBS, and NBC dedicated to campaign coverage during the eight week period after Labor Day. The Center for Media and Public Affairs, Press Release, "Election Study Finds Absentee Media: Network Coverage of Midterm Campaign Down 72 percent from 1994," Nov. 1, 2002, available at www.cmpa.com/pressrel/Elect2002PR.htm, last viewed 1/30/04. (In a telephone interview on 11/3/03, Matthew Felling, Media Director of the Center for Media and Public Affairs, explained that CMPA obtained relevant statistics by recording all of the national network evening broadcasts for the relevant years. CMPA technicians watched the recorded broadcasts and determined the actual length of each election story and each candidate soundbite. CMPA technicians input all data into a central computer database. Mr. Felling then analyzed the data from the computer, calculated the results, and wrote reports and press releases based on those results.)

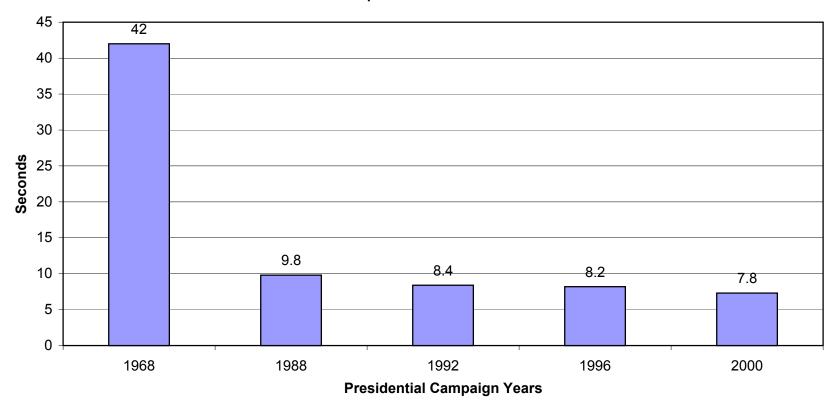
Network Evening News Coverage of 2000 Presidential Campaign

Drops 33% from 1996 to 2000



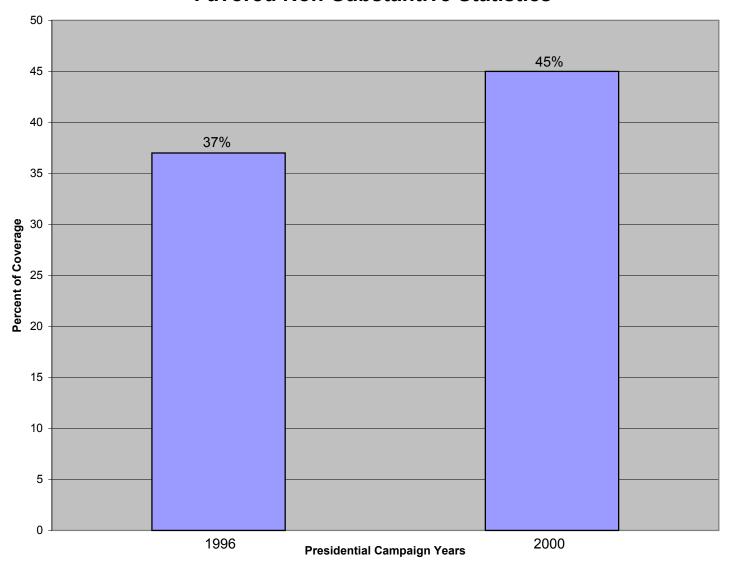
The Center for Media and Public Affairs analyzed the total number of minutes that ABC, CBS, and NBC dedicated to campaign coverage between January 1st and July 26th of both years. The Center for Media and Public Affairs, Press Release, "Networks to Parties: 'Drop Dead," Jul. 31, 2000, available at http://www.cmpa.com/pressrel/electpr1.htm, last viewed 1/30/04. (In a telephone interview on 11/3/03, Matthew Felling, Media Director of the Center for Media and Public Affairs, explained that CMPA obtained relevant statistics by recording all of the national network evening broadcasts for the relevant years. CMPA technicians watched the recorded broadcasts and determined the actual length of each election story and each candidate soundbite. CMPA technicians input all data into a central computer database. Mr. Felling then analyzed the data from the computer, calculated the results, and wrote reports and press releases based on those results.)

Average Length of Presidential Candidate Soundbites on Network Evening News Drops 81% from 1968 to 2000



The Center for Media and Public Affairs analyzed the average number of seconds that ABC, CBS, and NBC dedicated to broadcasting candidate soundbites between September 4th and November 7th of each year. The Center for Media and Public Affairs, Media Monitor, "Campaign 2000 Final: How TV News Covered the General Election Campaign," Nov./Dec. 2000, available at http://www.cmpa.com/Mediamon/mm111200.htm, last viewed 1/26/04. (In a telephone interview on 11/3/03, Matthew Felling, Media Director of the Center for Media and Public Affairs, explained that CMPA obtained relevant statistics by recording all of the national network evening broadcasts for the relevant years. CMPA technicians watched the recorded broadcasts and determined the actual length of each election story and each candidate soundbite. CMPA technicians input all data into a central computer database. Mr. Felling then analyzed the data from the computer, calculated the results, and wrote reports and press releases based on those results.)

Almost Half of Network TV Coverage of the 2000 Presidential Primaries Favored Non-Substantive Statistics



The Center for Media and Public Affairs analyzed the average number of minutes that ABC, CBS, and NBC dedicated to campaign coverage between January 1 and Super Tuesday in early March of each year. The Center for Media and Public Affairs, Media Monitor, "Campaign 2000-The Primaries: TV News Coverage of the Democratic and GOP Primaries," Mar./Apr. 2000, available at www.cmpa.com/Mediamon/mm030400.htm, last viewed 01/30/2004.

Reproduced from: Greenberg, Brigitte, Communications Daily, "'Fundamental Misunderstandings': Unions Ask FCC for Maximum Fine Against Comcast Over Documents," Jan 27, 2004.

Communications Daily

The Authoritative News Service of Electronic Communications

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'Fundamental Misunderstanding'

UNIONS ASK FCC FOR MAXIMUM FINE AGAINST COMCAST OVER DOCUMENTS

In the latest volley between Comcast and 2 labor unions, the CWA and the IBEW accused Comcast of trying to mislead the FCC and misconstruing Commission rules. The debate centers on public files that the FCC requires cable operators to have available for public inspection in regular business hours. The files include such materials as all requests in the previous 2 years for cable time by or on behalf of a political candidate, with information on how the request was handled; information on children's programming on local origination channels; EEO reports; leased access requirements and signal leakage and repair logs.

In Nov., just after losing an important vote, the unions filed a complaint at the FCC alleging that 132 of Comcast's cable systems were violating the public file rules. The unions in late Oct. had sent members to Comcast offices to check the files for possible violations. They said many systems didn't have a public file, didn't make it available upon request or it was incomplete. The complaint was filed shortly after employees in some of Comcast's collective bargaining units voted to decline representation by the CWA and IBEW.

Comcast said in its response that the unions' motives were "tactical" in nature, resulting from the union vote. Comcast said it never had been cited by the FCC for failure to maintain its public files and that no member of the public who "legitimately" sought access to the records ever had complained: "The purpose of these visits [by the unions] was not to obtain any information that is maintained or is required to be maintained in the files. Rather the orchestrated mass of visits was motivated by the desire to enlist the Commission's regulatory machinery as an adjunct to their union organizing efforts."

Comcast said the unions' complaints lacked documentation and details about the visits, was "replete with misleading and outright false allegations" and demonstrated a "fundamental misunderstanding" of the FCC's public file requirements. Comcast

contends that the rules don't require a cable operator to maintain a public file in every community that it serves, but on a systemwide basis. It said the Commission's rules didn't address the trend toward consolidation of headends and integrated systems, so the location of the public file "may be somewhat distant from some of the communities served by that system." Comcast said it "acknowledges that even though the location of a public inspection file may be technically compliant with the rules, its location may be inconvenient for the public." For example, the unions complained that a file for Marianna, Fla., actually was in Ala., which Comcast said was correct.

As a result, Comcast said it was considering establishing a nationwide policy that would allow customers to access the files using a computer terminal at a Comcast location. The company said it wants to maintain files within a 30-min. drive of a cable community, even in integrated systems, so it was establishing a file at the Marianna bill payment office. "Comcast would gladly work with the Commission to establish guidelines for locating public files at additional locations," it told the FCC. It also admitted that some files weren't located within the footprint of an integrated system and it therefore was taking steps to correct that. Comcast said the unions' allegations of incomplete files were false. But it also said it would like to work with the Commission to improve public file requirements, "including possibly changes that would go beyond our current legal obligations."

The unions said last week responded that regardless of Comcast's claim that it had corrected some alleged violations, the Commission should include those locations as those being in violation. The unions said there could be no justification for locating a public file 85 miles from the community it served. "Comcast misconstrues both the letter and purpose of the public file rules regarding the location of the public file," the unions said. "The Commission for the past 25 years has made clear that the public file must be located in each local community system unit, not, as Comcast wrongly claims, in each technically and operationally integrated system."

The unions said union representatives at times were told to return the next day or make an appointment to see the files, although the rules say the files should be made available upon request in regular business hours. The unions asked the FCC to impose the maximum fine permissible under Commission rules. An FCC spokesman said a fine for failing to adequately maintain public files could be up to \$27,500 for a single violation and \$300,000 for a continuing violation. -- Brigitte Greenberg



Appeals Court Upholds 527 Disclosure Law

January 5, 2004 By Damon Chappie, Roll Call Staff

1

A federal appeals court has upheld the constitutionality of an early campaign finance law forcing secretive political organizations to disclose their contributors and expenditures, ruling that Congress can impose requirements on nonprofits without violating free speech rights.

The decision by a unanimous three-judge panel of the 11th U.S. Circuit Court of Appeals was issued Dec. 24, two weeks after the Supreme Court upheld the broader Bipartisan Campaign Reform Act.

The appeals court overturned a lower court's rejection of about three-quarters of a law requiring Section 527 organizations to report their contributors, expenditures and other identifying information to the Internal Revenue Service.

Responding to an explosive growth of 527 groups and the millions of unaccountable dollars being poured into them, Congress swiftly passed legislation in 2000 requiring tens of thousands of such political groups to disclose information about their activities.

The groups are known as 527s because they register under Section 527 of the tax code, which allows them to operate essentially tax-free. The law passed in 2000 conditioned the tax exemption on the disclosure of identifying information about the groups.

The Mobile Republican Assembly, a conservative grassroots group in Alabama, challenged the law on the grounds that it violates politically active nonprofit groups' right to free speech. The organization won a key victory in 2002 when U.S. District Judge Richard Vollmer struck down most of the provisions of the law in a highly critical 68-page decision.

The appeals court viewed the law differently, brushing aside Vollmer's extensive analysis of the law under the First, Fifth and 10th amendments by concluding that nonprofit groups do not enjoy a special right to what is essentially a tax subsidy and that Congress can decide how nonprofit groups should operate within the overall tax scheme.

"Congress has enacted no barrier to the exercise of the appellees' constitutional rights. Rather, Congress has established certain requirements that must be followed in order to claim the benefit of a public tax subsidy," Circuit Judge Rosemary Barkett wrote.

"Any political organization uncomfortable with the disclosure of expenditures or contributions may simply decline to register under section 527 and avoid these requirements altogether. The fact that the organization might then engage in somewhat less

speech because of stricter financial constraints does not create a constitutionally mandated right to the tax subsidy," Barkett wrote.

Vollmer, an appointee of then-President George H.W. Bush, died in March 2003.

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New Internal Revenue Service Political Website a Bonanza of Campaign Finance Information for Journalists and Voters

The Internal Revenue Service's new website on "Section 527" Political Organizations, unveiled July 1st, is a major advance in campaign finance disclosure. These tax-exempt groups, formerly dubbed "Stealth PACs (Political Action Committees)" are already the leading edge of a trend toward increased involvement of non-profits in partisan political campaigns. With the advent of the new campaign finance law restricting federal parties and candidates access to unlimited contributions, 527s are expected to become even more important federal political actors. That is why the new IRS website is so important for journalists, citizens and others trying to get information about candidates and elections. CFI was active in the process that led to this important achievement.

Section 527 groups are defined as having the primary purpose of influencing elections. But they are exempt from the contribution limits of federal law and the Federal Election Commission's public disclosure requirements because they do not make campaign contributions or explicit "vote for" and "vote against" appeals to the general public. Yet many of these organizations indirectly back federal candidates by running media "issue ads" promoting or opposing such candidates, doing similar "voter education" through direct mail or telephone, and training campaign workers.

During the 2002 congressional elections, Public Citizen estimated that non-FEC regulated 527 groups active in the elections raised at least \$115 million in unregulated money. Among the most active groups were the American Federation of State, County and Municipal Employees (AFSCME) Special Account, the Club for Growth, the Sierra Club Voter Education Fund, the New Democratic Network, Emily's List, the Republican Leadership Council and GOPAC.

Such groups, with their unlimited contributions, loom larger than ever since the adoption of the Bipartisan Campaign Reform Act of 2002. BCRA severely restricts political parties' and candidates' use of unlimited soft money from corporations, unions and individuals in federal elections. However, the nonprofit sector is emerging as an alternative financial vehicle for some of the former party/candidate soft money -- and without the same level of accountability of the old party soft money, which was at least disclosed and

relatively accessible to the public on the web.

Background of the New System

In July 2000, Congress mandated a Section 527 political organization public disclosure system through the IRS. Although the IRS went beyond the congressional mandate in putting financial information on the web, its initial system had a number of widely recognized defects. Among the most important, Congress had neglected to ask for certain critical information including the dates of contributions and expenditures, the purposes of spending, and updates on changes in organizational structure. Secondly, the IRS website required users to know the exact name of the organization they were seeking information about. Thirdly, there was no requirement for 527 groups to provide their financial information in electronic format so that it could be quickly and accurately entered into a database where users could "search" and "sort" the data to answer specific questions about one or more groups, donors, or recipients. Fourthly, without electronic filing there was no ability for users to download individual reports or even the whole database so they could pose even more queries or merge the information with other data they were analyzing.

In October 2002 Congress overwhelmingly passed new 527 legislation including provisions to fix the disclosure system. These provisions:

- overcame existing information gaps by requiring 527s to report organizational changes, dates of contributions and expenditures and purposes of the latter
- mandated electronic filing of financial reports by 527s raising or spending at least \$50,000; and
- required that the IRS make electronic information on organizations and their financial activities available to and searchable by the public on the Internet and downloadable to personal computers.

A World of New Political Information

Thus far, the IRS has not only met the above requirements: it has exceeded them. Notably, the website is searchable by even more categories than Congress specified and the IRS has made the organizations' annual information returns (Form 990) available on the website as well. In the process of developing its response to the legislation, the IRS met with major public interest users of 527 information, including CFI, and, as Director of Exempt Organizations Steven Miller commented on July 8, "We heard the public's concerns about the limitations of these features on the former site." CFI congratulates IRS Commissioner Mark Everson and his staff on their important achievements.

The newly revamped IRS "advanced search" of its electronic database will, for the first time, allow users easy access to large amounts of valuable information on the operations of 527 political groups. After July 31 -- the first reporting deadline under mandatory electronic filing – journalists, voters and others will be able to search for contributions and expenditures of 527 groups

by name of the group, donor or recipient (even if you do not know it exactly). It will also be possible to search for this information by state and zip code, employer, occupation, and level and date of contribution or expenditure. To take one random example, if one wanted to find out, before the new system went into effect, about large donors to the pro-choice Democratic womens' group Emily's List -- or anything else reported by a 527 -- one would have to go through each quarterly or semi-annual paper filing scanned onto the website, page by page. After July 31, a web search for large contributors to Emily's List will quickly reveal, for example, that Gladys C. of Gainesville FL, a self-employed counselor, gave a \$50,000 contribution in the first three months of 2002. The same search will also disclose all of Gladys C.'s large contributions to Emily's List since 527s began reporting to the IRS nearly three years ago, and the exact dates of all her contributions reported after January 1, 2003. An additional search under Gladys C's name will promptly unveil any contributions she made to other 527s; and a search under "counselor" will uncover all contributions to 527s by persons identifying their occupation as "counselor."

Another search will provide important insights into what 527 groups actually do with their receipts. For example, perusing one of the lengthy paper filings of the Club for Growth, which supports limited government and lower taxes, one finds it paid a total of \$19,000 to Red Sea, LLC in Washington, DC during April 2003. In the near future, one will be able to search "Red Sea LLC" to see all of the Club for Growth's expenditures on that vendor, what other 527s paid Red Sea, and what the purposes of these expenditures were.

The "popular search" option will be particularly useful for following "breaking news" and new developments including last minute, pre-election spending. Users will be able to search for 527 disclosure reports made in the last day, week, month or year, including by levels of total expenditures and contributions and by particular contributors and recipients above certain amounts.

Results of all the searches will be "sortable" so they can be arranged for example by size of contribution and alphabetical order of name.

Finally, users will still be able to use the "basic search" to inspect each individual paper or electronic report filed by an organization.

Limitations

Nothing of course is perfect, and we are concerned about certain features of the new system that are not very user-friendly and that the IRS can easily correct.

Searching:

• The site does not make clear to the user how much information is available in the advanced search. Nowhere does it point out that the electronically filed and searchable forms are only a small fraction of all forms filed (They are expected to become far more numerous under

mandatory electronic filing for larger financial actors beginning at the end of July). A user could easily be misled about what is available in the advanced search and fail to look at the basic search for past paper filings or for continuing ones by smaller organizations. We therefore urge the IRS to post the total number of electronic and paper filings available for each kind of search on the first page of the political organization disclosure website.

- The "popular" searches are, as their name implies, expected to be widely utilized. But what they can deliver is not even briefly described on the first page, but relatively buried within the subsequent advanced search page. It should be highlighted.
- Searching within an advanced search can be unnecessarily slow. For example, it is not possible to move directly from an organization's donor list to the complete record of donations for a particular donor. Instead, the user has to begin a new search to get the information. In contrast, the FEC website allows users to click on organizational donors (such as a particular Political Action Committee or PAC) and individual ones, and get all the donations made by that group or an individual with that name. The IRS should do the same.
- The database only displays ten records on a page. Once you have scrolled down to the bottom of the page, you must scroll all the way back to the top to move on to subsequent pages. The IRS should put its "next page" link at the bottom of the page.

Downloading:

- The system only allows you to download the entire database or portions separated alphabetically. It does not allow you to download the information from individual electronic reports in order to analyze the data with your own questions or merge it with data from other sources, as the FEC's website does. The IRS should adopt the FEC's approach.
- The downloading function does not segregate original and amended (corrected) filings for the same time period, making it hard to distinguish which information is most correct and up to date. This means that the results of some searches may be distorted by duplicate or inaccurate information. The FEC has addressed this problem in its electronic filing system; so should the IRS.
- Information is downloaded in "pipe-delimited" format, which most users then have to convert it into another, analyzable format through using another computer program not provided by the IRS. This can be costly and time-consuming. The IRS should make the data available in a more useful format such as a Microsoft Excel spreadsheet.
- Unlike the current format, users should be able to move directly to downloading from the search pages. The IRS should put a link to the download page on each of the search pages.

CFI will continue to monitor the IRS disclosure system, including the effective initiation of the electronic filing system beginning July 31. First, it will be important to see how the website performs when it is in full operation. Second, it will be critical whether the new electronic filing system contains

sufficient "validators" to require or prompt filers to fully and accurately report and otherwise assures quality control of the data.

The new IRS site may be accessed at www.irs.gov/charities/political/

This report was written by Steve Weissman, Kim Conger and Nick Turner

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30

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